PETRONOR E&P

Interim Financial Report

For the quarter ended

30 June 2024

HIGHLIGHTS

For the six months ended 30 June 2024

EBITDA (USD million)	**EBIT** (USD million)	**Net profit** (USD million)
62.4	**52.5**	**31.0**
H1 2023: 57.8	H1 2023: 51.8	H1 2023: 30.6
2P Reserves (MMboe)	**2C Contingent Resources** (MMboe)	**Market capitalisation** (USD million)
17.2 (H1 2023: 20.3)	**36.7** (H1 2023: 37.1)	**133.2** (H1 2023: 109.7)

- **January oil sales of 330,573 bbls at realised price of 82.87 USD/bbl**
- **April oil sales of 583,695 bbls at a realised price of 82.90 USD/bbl**
- **Q2 2024 PNGF Sud net production 4,709 bopd (Q2 2023 5,003 bopd)[1]**
- **Production efficiency is expected to increase in Q4 with new power generation capacity and additional resources for well work overs**

Assets

Republic of Congo (Brazzaville)

PetroNor E&P ASA (PetroNor or the "Company") has three production licence agreements (Tchibouela II, Tchendo II, and Tchibeli-Litanzi II), which cover six oil fields located in 80-100 m water depths approximately 25 km off the coast of Pointe-Noire. The complex oil field was discovered in 1979, commenced production in 1987, and is called PNGF Sud.

The PNGF Sud fields are developed with eleven wellhead platforms and currently produce from 66 active production wells, with oil exported via the onshore Djeno terminal. With its long production history, substantial well count and extensive infrastructure, PNGF Sud offers well diversified and low risk production and reserves with low break-even cost.

On 27 December 2023, the Council of Ministers in the Republic of Congo met and approved a number of energy projects. This included the award of the PNGF Bis licence, a neighbouring license containing two pre-salt discoveries, to a contractor group led by Perenco as an operator and with PetroNor, represented through its Congolese subsidiary, Hemla E&P Congo, as a partner with a net interest of 22.7%. This approval will clear the path for signing a production sharing agreement in 2024.

Nigeria

PetroNor is working with the OML 113 operator, Yinka Folawiyo Petroleum ("YFP"), to create a jointly owned company, Aje Production AS, which will hold a project economic and joint operating agreement (JOA) voting interest of 39 per cent. Aje Production AS will lead the technical and management efforts in the next phase of the Aje field development, from which PetroNor will hold an indirect 20.2 per cent interest.

In October 2023, PetroNor announced the acquisition of 32.1% additional interests in the OML113 licence through a binding agreement with New Age (African Global Energy) Limited. Application for approval of the acquisition was filed with The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) in April with expected final approval in Q4 2024.

The Gambia

PetroNor and the Government of The Gambia have agreed an extension to the first phase of the A4 Exploration licence of 18 months. PetroNor is continuing to seek partners in order to enter into a drilling commitment for an exploration well on the A4 block after 15 November 2025 with a further 18 months to drill. This highly prospective block contains multiple low risk commercial-size prospects and lies 30 km South of the Senegal "Sangomar" field (Woodside).

[1] Based on finally allocated gross production of 27,980 bopd at 16.83% indirect working interest

OPERATIONS

Health, safety and environment (HSE)

The safety and security of our and our operators' staff and contractors is our highest priority. The Company's objective for health, environment, safety, and quality (HSEQ) is zero accidents and incidents in all activities. The oil and gas assets located in West Africa imply frequent travel, and the Company seeks to ensure adequate safety levels for employees travelling. PetroNor experienced no accidents, injuries, incidents or any environmental claims during the quarter period.

The Group's operations have been conducted by the operators on behalf of the licence partners and the operator of PNGF Sud is reporting regularly on all key HSE indicators. No restricted work cases (RWC) nor medical treatment cases (MTC) were reported in the period of January to June 2024. The last lost time injury incident (LTI) in PNGF Sud was reported by the operator in September 2021. Our workover operations have been delayed by the operator, Perenco's, workover accident in Gabon in March where they have sought a root cause for this accident before continuing work over operations in other licenses. Workover activities have resumed in PNGF, yielding increasing production returns going forward after a period of lagging production which impacted PNGF Sud production rates negatively for the quarter. There have been no significant known breaches of the Company's exploration licenses conditions or any environmental regulations to which it is subject. Time lost due to employee illness or accidents was negligible. Employee safety is of the highest priority, and the Company is continuously working towards identifying. and employing administrative and technical solutions, that ensure a safe and efficient workplace.

Production

Republic of Congo – PNGF Sud

The 17-well drilling campaign targeting PNGF Sud that commenced in 2021 saw six new wells in 2022 on Litanzi and Tchibeli NE and five new wells in Tchibeli in 2023. These infill wells encountered reservoir properties and thus production rates above expectations. Another appraisal well was drilled in the Tchibeli NE Vanji discovery and completed in April 2024. This well produces at expectation and is important to the further development considerations in the PNGF BIS Vanji discoveries Loussima and Loussima SW.

The infill drilling programme will subsequently move to focus on the Tchendo field during 2025. The Tchendo 2, 14-slot wellhead (jackup) platform was upgraded in the Netherlands and is now commissioned, awaiting only the Litanzi-Tchibeli gas pipeline for a position fully independent of third parties. This is expected in September. Drilling of the initial six Tchendo infill wells is expected to start early 2025, possibly followed by an additional infill well programme expected in Tchibouela East.

Gross production for H1 2024 was 5.3 MMbbls (5.5 MMbbls in same period in 2023), corresponding to 0.89 MMbbls (0.93 MMbbls same period in 2023) net to the Company.

Production during the first half year has been below forecast and production efficiencies in Q1 and Q2 were 84% and 82% respectively compared with 92% for the full year 2023. Production efficiencies were affected by system instabilities due to the high commissioning activities and third-party power import interruptions in addition to the lagging workover activities mentioned previously.

Production efficiency is a measure of the actual production relative to the production capacity of the field without losses due to field or well shut-ins or losses from pending well workovers. With "normal" production efficiencies, the production capacity of the field and wells would be 5,300 bopd on a net basis.

Commissioning of the new Tchendo 2 completed in April, and the generators produce some 10MW to the wider field fuelled with gas from the Likouala field, operated by Congorep (Perenco has a 35 per cent interest). The gas line from Tchibeli NE, Tchibeli and Litanzi to Tchendo 2 will be finished in September. With stable power supply and three operational workover crews, production rates and production efficiencies are forecasted to increase in the second half of the year. In parallel, PNGF Sud will become fully independent of third parties' gas and power import.

In March 2024, AGR Petroleum prepared a Competent Person's Report ("CPR") whereby the reserves were calculated as at 31 December 2023. The numbers are lower than the previous year largely due to the 2023 production. Additional infill opportunities have been identified with the potential of increasing reserves in 2025 onward.

CPR as at 31 December 2023:

Participation Interest	*16.83%*
1P reserves	11.8 MMboe
2P reserves	17.2 MMboe

PetroNor's contingent resource base includes discoveries of varying degrees of maturity towards development decisions. At the end of 2023, PNGF Sud contains a net 2C volume of approximately 7.5 MMboe assuming a 16.83 per cent participation interest.

Development

Nigeria – OML 113 / The Aje field

PetroNor and YFP investors have now contributed their respective OML113 interests to Aje Production AS, after the shares of YFP DW were transferred in May 2024 to complete the transaction.

As announced on 2 October 2023, PetroNor entered into a binding agreement with New Age (African Global Energy) Limited ("New Age") to acquire New Age's interests in OML 113 in Nigeria which contains the Aje field. Application for approval of the acquisition was filed with The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) in April with expected final approval in Q4 2024.

This acquisition strengthens the Company's position by adding 32.1% economic and voting interest in OML 113 which will reinforce the Company's active involvement and influence in the licence partnership to plan for the re-development of the Aje field. Following completion of these transactions, PetroNor and YFP related entities will have a project economic and JOA voting interest of 71%.

PetroNor and the partners awarded a contract to reprocess 3D seismic data in 2023. The work was completed in February 2024 and initial interpretation of results has been completed. Implications from the new interpretation are being integrated into the final Concept Select and update to the Field Development Plan. The partnership has agreed to the purchase of land on the coast at the proposed landing site of a gas pipeline from the field. An Environmental Impact and Social Assessment study contract is expected to be awarded during 3Q.

Exploration

The Gambia - A4

An 18-month extension to the first phase of the Exploration period has been agreed with the government of The Gambia. As a result, PetroNor will have until 15 November 2025 to find a suitable partner to enter the subsequent 18-month drilling commitment period.

Financial performance and activities

The Group continues to strengthen its balance sheet, ending with cash of USD 65.8 million. The strengthened cash position is attributable to the realisation of the lifting during Q1. 330,572 bbls of oil were lifted generating a cash inflow of USD 27.4 million. The Group completed an onboarding banking process for Hemla E&P Congo SA at the end of June 2024 which will resolve the delays experienced in its day-to-day treasury operations during Q1 2024.

Inventories reduced from year-end position with the sale of surplus long lead items from the Guinea-Bissau assets not included in the farm out last year, netting USD 3.2 million in cash to PetroNor. Inventories decreased a further USD 3.0 million with the completion of 2024 planned infill drilling programme.

Trade receivables at quarter end were USD 48.3 million. This is as a result of the lifting in May 2024 where 583,695 bbls of oil were lifted and sold at a realised price of 82.90 USD/bbl.

The increase in current liabilities of USD 3.5 million is caused by the recognition of an overlift payable of USD 12.4 million. This was counteracted by a decrease in loans and borrowings of USD 5.5 million as the debt facility was fully repaid by the end of the quarter leaving the Company debt free as we exit the half year. Current trade and other payables decreased by USD 1.7million, reflecting normal working capital movements related to operations.

PetroNor recognised a profit for the half-year period of USD 30.9 million (H1 2023: 30.6 million).

The Q2 2024 average production of 4,709 bopd was the driver for the revenue gross-up of the tax oil and royalties, this combined with the sale of entitlement oil created revenue of USD 66.1 million (Q2 2023: USD 54.1 million).

Cost of Sales increased comparatively for the period to USD 32.8 million (Q2 2023: USD 20.8 million). Operating expenses have increased to USD 17.4 million (Q2 2023 USD 6.2 million); this is driven by the recognition of an overlift payable during the quarter The recent infill drilling campaign has led to an increased depreciation charge of USD 5.0 million (Q2 2023 USD 3.0 million).

In this quarter no dividend was paid or recommended.

The Board confirms that the interim financial statements have been prepared pursuant to the going concern assumption, and that this assumption was realistic at the balance sheet date. The going concern assumption is based upon the financial position of the Group and the development plans currently in place. The Group recognises that in order to fund on-going operations and pursue organic and inorganic growth opportunities it will require additional funding. This funding may be sourced through joint venture equity or share issues or through debt finance.

CORPORATE

Principal Risks

The Group participates in oil and gas projects in countries in West Africa with emerging economies, such as Congo Brazzaville, Nigeria and The Gambia.

Oil and gas exploration, development and production activities in such emerging markets are subject to a number of significant political and economic uncertainties as further detailed in the annual report. These may include, but are not limited to, the risk of war, terrorism, expropriation, nationalisation, renegotiation or nullification of existing or future licences and contracts, changes in crude oil or natural gas pricing policies, changes in taxation and fiscal policies, imposition of currency controls and imposition of international sanctions.

Annual General Meeting

The Annual General Meeting of PetroNor E&P ASA took place on 29 May 2024. All proposed resolutions were passed.

Mr Eyas Alhomouz had informed the Nomination Committee that he will not seek re-election to the Board. Subsequently the Board of the Company was reduced from six to five members and Mr Joseph Iskander replaced Mr Eyas Alhomouz as Chair of the Board.

Økokrim Charges

PetroNor continues to co-operate with Økokrim and the Department of Justice (DoJ) to assist in their investigations into the allegations of corruption by individuals associated with the Company.

On 13 May 2024 the Company was notified by Økokrim that these charges have been revised to include misleading investors through disclosures made to the market during the reverse take-over of African Petroleum Corporation Limited in August 2019 and subsequent disclosures. Consequently, the Company and its subsidiary Hemla Africa Holding have been given formal status as suspect for any possible corporate criminal liability resulting from the revised charges against the individuals. Due to the change in status, in July, the Company received access to formal information on the investigations, and a legal review of this material has begun.

With reference to the dividend policy approved at the AGM on 29 May 2024, and on the basis of the ongoing review of the formal information on the investigations, the plan to carry through a shareholder return in the second half of 2024 is at risk. Liquidity required for a shareholder return would come from the operations in Congo and currently there is a risk that extracting funds from Congo would negatively impact the Company's commitment to fully co-operate with the authorities.

Significant events after reporting date

There are no significant events after the reporting date.

Outlook

The well infill drilling program on PNGF Sud will resume in 2025 focusing on Tchendo with the drilling of six initial wells, possibly followed by an additional infill drilling programme on Tchibouela East.

The Company awaits the drilling of the Atum-1X well in Guinea-Bissau expected later this year, after the 100 per cent farm-out to Apus Energy Guinea Bissau SA in 2023. A successful well increases the likelihood of the next contingent consideration payment of USD 30 million, paid on government approval of a field development plan as well as regional exploration interest.

Top 20 Shareholders

As of 15 August 2024:

#	Shareholder	Number of shares	Per cent
1	Petromal LLC[1]	48,148,167	33.82%
2	Symero Limited[2]	13,876,364	9.75%
3	Ambolt Invest AS[3]	8,758,329	6.15%
4	Sjøvollen AS	5,979,072	4.20%
5	Gulshagen III AS[4]	4,500,000	3.16%
6	Gulshagen IV AS[4]	4,500,000	3.16%
7	Nordnet Bank AB	3,077,663	2.16%
8	Nordnet Livsforsikring AS	2,933,553	2.06%
9	Enga Invest AS	950,000	0.67%
10	UBS Switzerland AG	926,178	0.65%
11	Morgan Stanley & Co. Int. Plc.	837,952	0.59%
12	Energie AS	823,043	0.58%
13	Interactive Brokers LLC	773,496	0.54%
14	Omar Al-Qattan	764,546	0.54%
15	Leena Al-Qattan	764,546	0.54%
16	Pust For Livet AS	749,761	0.53%
17	Danske Bank A/S	701,848	0.49%
18	BNP Paribas	689,152	0.48%
19	NOR Energy AS	674,665	0.47%
20	Jon Arne Toft	567,170	0.40%
	Subtotal	**100,995,505**	**70.95%**
	Others	41,361,350	29.05%
	Total	**142,356,855**	**100.00%**

[1] Non-Executive Chairman, Mr. Joseph Iskander is the Head of Investments of Emirates International Investment Company, sister company to Petromal LLC. All of the shares held by Petromal LLC are recorded in the name of nominee company, Clearstream Banking S.A. on behalf of Petromal LLC.

[2] Symero Limited is a company controlled by NOR Energy AS.

[3] Ambolt Invest AS is a company controlled by board member Mr. Norman-Hansen.

[4] Gulshagen III AS and Gulshagen IV AS are companies controlled by Sjøvollen AS.

Consolidated statement of comprehensive income

For the quarter ended and six months ended 30 June 2024

Amounts in USD thousand	Quarter ended		Six months ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	**30 June 2024 (Unaudited)**	30 June 2023 (Unaudited)
Continuing operations				
Revenue	**66,117**	54,143	**110,434**	93,919
Cost of sales	**(32,849)**	(20,809)	**(50,159)**	(35,590)
Gross profit	**33,268**	33,334	**60,275**	58,329
Exploration expenses	**(58)**	(423)	**(55)**	(408)
Administrative expenses	**(4,967)**	(3,478)	**(7,880)**	(6,118)
Profit from operations	**28,243**	29,433	**52,340**	51,803
Finance expense	**(260)**	(432)	**(787)**	(987)
Finance income	**572**	-	**572**	-
Foreign exchange gain / (loss)	**(635)**	(666)	**74**	(2,165)
Profit before tax	**27,920**	28,335	**52,199**	48,651
Tax Expense	**(11,064)**	(8,711)	**(21,217)**	(18,071)
Profit for the period	**16,856**	19,624	**30,982**	30,580
Other Comprehensive income:				
Exchange (losses) / gains arising on translation of foreign operations	**-**	797	**-**	2,322
Total comprehensive income / (loss)	**16,856**	20,421	**30,982**	32,902
Profit for the period attributable to:				
Owners of the parent	**13,427**	15,864	**25,051**	24,502
Non-controlling interest	**3,429**	3,760	**5,931**	6,078
Total	**16,856**	19,624	**30,982**	30,580
Total comprehensive income / (loss) attributable to:				
Owners of the parent	**13,427**	16,661	**25,051**	26,824
Non-controlling interest	**3,429**	3,760	**5,931**	6,078
Total	**16,856**	20,421	**30,982**	32,902
Earnings per share attributable to members:	**USD cents**	USD cents	**USD cents**	USD cents
Basic profit per share	**9.43**	11.14	**17.60**	17.21
Diluted profit per share	**9.43**	11.14	**17.60**	17.21

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

Amounts in USD thousand	**As at 30 June 2024 (Unaudited)**	As at 31 December 2023 (Audited)
ASSETS		
Current assets		
Inventories	**11,731**	17,839
Trade receivables	**48,386**	27,317
Other receivables	**6,025**	3,757
Cash and cash equivalents	**65,790**	46,249
Total	**131,932**	95,162
Non-current assets		
Property, plant and equipment	**91,734**	92,791
Intangible assets	**8,703**	7,860
Other receivables	**43,804**	43,707
Investments	**2**	2
Total	**144,243**	144,360
Total assets	**276,175**	239,522
LIABILITIES		
Current liabilities		
Trade payables	**5,795**	11,954
Other payables	**12,522**	8,097
Overlift payable	**12,389**	-
Loans and borrowings	**-**	5,500
Total	**30,706**	25,551
Non-current liabilities		
Provisions	**27,658**	27,072
Other payables	**75**	145
Total	**27,733**	27,217
Total liabilities	**58,439**	52,768
Net assets	**217,736**	186,754
EQUITY		
Issued capital and reserves attributable to owners of the parent		
Share capital	**72,115**	72,115
Reserves	**796**	796
Retained earnings	**114,794**	93,480
Total	**187,705**	166,391
Non-controlling interests	**30,031**	20,363
Total equity	**217,736**	186,754

The interim financial statements were approved and authorised for issue by the Board on 29 August 2024.

The accompanying notes form part of these interim financial statements.

Consolidated statement of changes in equity

For the six months ended 30 June 2024

Amounts in USD thousand (Unaudited)	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Non-controlling interest (NCI)	**Total**
2024						
Balance at 1 January 2024	**159**	**71,956**	**796**	**93,480**	**20,363**	**186,754**
Profit for the period	**-**	**-**	**-**	**25,051**	**5,931**	**30,982**
Write-back balance attributable to NCI[1]	**-**	**-**	**-**	**(3,737)**	**3,737**	**-**
Other Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**21,314**	**9,668**	**30,982**
Dividend distributed to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2024	**159**	**71,956**	**796**	**114,794**	**30,031**	**217,736**
2023						
Balance at 1 January 2023	159	71,956	(3)	25,497	12,316	109,925
Profit for the quarter	-	-	-	24,502	6,078	30,580
Other Comprehensive Income	-	-	2,322	-	-	2,322
Total comprehensive income for the period	-	-	2,322	24,502	6,078	32,902
Dividends distributed to non-controlling interest	-	-	-	-	(3,170)	(3,170)
Balance at 30 June 2023	159	71,956	2,319	49,999	15,224	139,657

[1] *Interests relating to the non-controlling interest of subsidiary company African Petroleum Senegal Limited have been reclassified as the legal entity holding those interests has been dissolved.*

The accompanying notes form part of these interim financial statements.

Consolidated statement of cash flows

For the quarter ended and six months ended 30 June 2024

Amounts in USD thousand	Quarter ended		Six months ended	
(Unaudited)	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
Cash flows from operating activities				
Profit for the period	**27,920**	28,337	**52,199**	48,651
Adjustments for:				
Depreciation and amortisation	**5,051**	3,166	**9,986**	6,048
Unwinding of discount on decommissioning liability	**69**	235	**444**	470
Net foreign exchange differences	**367**	797	**-**	2,322
Finance expense	**459**	329	**343**	509
Total	**33,866**	32,864	**62,972**	58,000
Increase in trade and other receivables	**(48,757)**	(19,113)	**(23,280)**	(18,558)
Increase in advance against decommissioning cost	**(96)**	(151)	**(154)**	(618)
Increase / decrease in abandonment provision	**(27)**	(141)	**142**	(328)
Decrease / (Increase) in inventories	**3,096**	4,953	**6,108**	1,929
Increase / (decrease) in trade and other payables	**2,958**	13,190	**10,585**	1,188
Cash generated from operations	**(8,960)**	31,602	**56,373**	41,613
Income taxes paid	**(11,064)**	(8,711)	**(21,217)**	(18,071)
Net cash flows from operating activities	**(20,024)**	22,891	**35,156**	23,542
Investing activities				
Purchases of property, plant and equipment	**(6,099)**	(11,675)	**(8,670)**	(14,125)
Purchase/disposal of intangible assets	**(573)**	(1,016)	**(1,102)**	(1,342)
Net cash flows from investing activities	**(6,672)**	(12,691)	**(9,772)**	(15,467)
Financing activities				
Repayment of loans and borrowings	**(4,125)**	(1,375)	**(5,500)**	(2,750)
Interest on loans and borrowings	**(459)**	(329)	**(343)**	(509)
Dividends paid to non-controlling interest	**-**	(3,170)	**-**	(3,170)
Net cash flows from financing activities	**(4,584)**	(4,874)	**(5,843)**	(6,429)
Net increase / (decrease) in cash and cash equivalents	**(31,280)**	5,326	**19,541**	1,646
Cash and cash equivalents at beginning of period	**97,070**	21,136	**46,249**	24,816
Cash and cash equivalents at end of period	**65,790**	26,462	**65,790**	26,462

The accompanying notes form part of these interim financial statements.

Notes to the interim financial statements

Note 01 Corporate information

The consolidated interim financial statements of the Company and its subsidiaries (together "the Group") for the period ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 29 August 2024.

PetroNor E&P ASA is a 'for profit entity' and is a company limited by shares incorporated in Norway. Its shares are publicly traded on the Oslo Børs (ticker: PNOR), the main regulated marketplace of the Oslo Stock Exchange, Norway. The principal activities of the Group are the exploration and production of crude oil.

Note 02 Basis of preparation

The general purpose interim financial statements for the quarter and six months ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and the supplement requirements of the Norwegian Securities Trading Act (Verdipapirhandelloven).

The interim financial statements do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the interim financial statements be read in conjunction with the Annual Report for 2023 and considered together with any public announcements made by the Company during the period ended 30 June 2024 in accordance with the continuous disclosure obligations of the Oslo Børs. A copy of the annual report is available on the Company's website www.petronorep.com.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which have been adopted by the EU. The interim financial statements have been prepared on a historical cost basis, and on the basis of uniform accounting principles for similar transactions and events under otherwise similar circumstances.

The interim financial statements are presented in United States Dollars.

The accounting policies adopted are consistent with those disclosed in the annual report for the year ended 31 December 2023. However new trading arrangements have enabled PetroNor to export a volume of crude oil that is higher than the volume produced, and an overlift position has been recognised for the first time in Company history, Note 16.

The preparation of the interim financial statements entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the Company's accounting policies and the main sources of uncertainty are the same for the interim financial statements as for the annual report for 2023.

Notes to the interim financial statements

Note 03 Revenue

Amounts in USD thousand (Unaudited)	**Quarter ended**		**Six months ended**	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023
Revenue from contracts from customers				
Revenue from sales of petroleum products	**48,386**	39,453	**75,779**	63,579
Other revenue				
Assignment of tax oil	**11,065**	8,711	**21,217**	18,071
Assignment of royalties	**6,606**	5,979	**13,268**	12,269
Marketing fees	**60**	-	**170**	-
Total	**66,117**	54,143	**110,434**	93,919
Quantity of oil lifted (barrels)	**583,695**	515,362	**914,268**	833,266
Average selling price (USD per barrel)	**82.90**	76.55	**82.89**	76.30
Quantity of net oil produced after royalty, cost oil and tax oil (barrels)	**325,674**	340,422	**662,418**	690,384

All revenue from the sales of petroleum products in 2024 is generated, recognised and transferred at a point in time. Invoices are due for settlement thirty days from the bill of lading, the point at which crude oil had been loaded onto vessel for shipment. All Group revenue is derived from production in the Republic of Congo from the PNGF Sud offshore asset. The Group presents profit oil tax and royalties on a grossed-up basis as an income tax expense with corresponding increase in oil and gas revenues and any associated royalties are included in cost of sales.

Note 04 Cost of sales

Amounts in USD thousand (Unaudited)	**Quarter ended**		**Six months ended**	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023
Operating expenses	**17,492**	6,191	**22,959**	12,370
Royalty	**6,606**	5,979	**13,268**	12,269
Depreciation and amortisation of oil and gas properties	**5,054**	3,021	**9,971**	5,856
Provision for diversified investment	**440**	401	**882**	821
Movement in oil inventory	**3,257**	5,217	**3,079**	4,274
Total	**32,849**	20,809	**50,159**	35,590

Operating expenses for Q2 2024, includes USD 12.4 million towards an overlift payable position. This timing adjustment is a result of the enhanced options available to the Company to realise its PNGF Sud oil production since the Company became a party to the Djeno terminal in Congo. This is the first time the Company has been in this situation, Note 16.

Notes to the interim financial statements

Note 05 Administrative expenses

Amounts in USD thousand	Quarter ended		Six months ended	
(Unaudited)	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
Employee expenses	**1,644**	1,173	**3,173**	2,488
Director bonuses	**576**	-	**576**	-
Restructuring expenses	**409**	-	**409**	-
Travelling expenses	**145**	98	**257**	329
Legal and professional expenses	**1,770**	1,072	**2,692**	2,036
Other expenses	**423**	1,135	**773**	1,265
Total	**4,967**	3,478	**7,880**	6,118

Note 06 Finance income/expenses

Finance income

Amounts in USD thousand	Quarter ended		Six months ended	
(Unaudited)	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
Interest income	**572**	-	**572**	-
Total	**572**	-	**572**	-

Finance expenses

Amounts in USD thousand	Quarter ended		Six months ended	
(Unaudited)	**30 June 2024**	30 June 2023	**30 June 2024**	30 June 2023
Unwinding of discount on decommissioning liability	**69**	235	**444**	470
Other finance costs	**19**	8	**19**	14
Interest expense	**172**	189	**324**	503
Total	**260**	432	**787**	987

Note 07 Tax expense

The tax expense in Congo represents the assignment of tax oil on the revenue from sales of petroleum products.

Notes to the interim financial statements

Note 08 Earnings per share

Amounts in USD thousand (Unaudited)	**Quarter ended** **30 June 2024**	30 June 2023	**Six months ended** **30 June 2024**	30 June 2023
Profit attributable to the ordinary equity holders used in calculating basic / diluted profit per share	**13,427**	15,864	**25,051**	24,502
Weighted average number of ordinary shares outstanding during the period used in the calculation of earnings per share	**142,356,855**	142,356,854	**142,356,855**	142,356,854
Basic profit / (loss) per share	**9.43**	11.14	**17.60**	17.21
Diluted profit / (loss) per share	**9.43**	11.14	**17.60**	17.21

Options on issue are considered to be potential ordinary shares and have been included in the determination of diluted loss per share only to the extent to which they are dilutive. There are nil options as at 30 June 2024 (30 June 2023: nil).

Note 09 Inventories

Amounts in USD thousand	**30 June 2024** ***(Unaudited)***	31 December 2023 *(Audited)*
Crude oil inventory	**-**	3,078
Materials and supplies	**11,731**	14,761
Total	**11,731**	17,839

New trading arrangements have enabled PetroNor to export more crude oil than their production entitlement therefore there is no stock of crude oil at the period end as the Group have "overlifted". The crude oil inventory and the material and supplies inventory are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less applicable selling expenses. The cost of inventory includes all costs related to bringing the inventory to its current condition, including processing costs, labour costs, supplies, direct and allocated indirect operating overhead and depreciation expense, where applicable, including allocation of fixed and variable costs to inventory.

Note 10 Trade and other receivables

Amounts in USD thousand	**30 June 2024** ***(Unaudited)***	31 December 2023 *(Audited)*
Recoverability less than one year		
Trade receivables	**48,386**	27,317
Other receivables[1]	**6,025**	3,757
Total	**54,411**	31,074
Recoverability more than one year		
Advance against decommissioning cost	**30,204**	30,050
Due from related parties	**11,000**	11,057
Fair value of contingent consideration	**2,600**	2,600
Total	**43,804**	43,707

In addition to the booking of decommissioning cost asset and corresponding liability, the contractors group on the

Notes to the interim financial statements

PNGF Sud licence have advanced cash funds for the decommissioning cost that is held in an escrow account which is managed by the operator.

[1]As at 30 June 2024, Other receivables included a balance of USD 5 million in relation to the agreement with New Age to acquire their 32 per cent project and economic and voting interest of OML 113 in Nigeria. Upon completion, this is expected to form part of investments.

Note 11 Cash and cash equivalents

Amounts in USD thousand	**30 June 2024 *(Unaudited)***	31 December 2023 *(Audited)*
Cash in bank	**65,667**	46,217
Restricted cash	**123**	32
Total	**65,790**	46,249

Restricted cash at 30 June 2024 represents ringfenced cash payable to Norwegian authorities in relation to employment obligations.

Note 12 Segment information

For management purposes, the Group is organised into one main operating segment, which involves exploration and production of hydrocarbons. All of the Group's activities are interrelated, and discrete financial information is reported to chief operating decision maker as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The Group only has one operating segment, being exploration and production of hydrocarbons.

The analysis of the location of non-current assets is as follows:

Amounts in USD thousand (Unaudited)	**30 June 2024 *(Unaudited)***	31 December 2023 *(Audited)*
Congo	**123,712**	124,798
The Gambia	**6,414**	5,461
Guinea-Bissau	**2,600**	2,600
Norway	**11,220**	11,326
Other countries	**297**	175
Total	**144,243**	144,360

Note 13 Property, plant and equipment

Amounts in USD thousand	**For quarter ended 30 June 2024 *(Unaudited)***	For year ended 31 December 2023 *(Audited)*
Cost		
Opening balance	**132,033**	90,883
Additions	**8,670**	42,076
Disposals	**-**	(926)
Closing balance	**140,703**	132,033
Accumulated Depreciation		
Opening balance	**39,242**	22,942
Charge for the period	**9,727**	16,300
Closing balance	**48,969**	39,242
Closing net carrying value	**91,734**	92,791

Notes to the interim financial statements

Note 14 Intangible assets

LICENCES AND APPROVALS

Amounts in USD thousand	**For quarter ended 30 June 2024 *(Unaudited)***	For year ended 31 December 2023 *(Audited)*
Cost		
Opening balance	**13,025**	37,831
Additions	**1,102**	1,129
Disposals	**-**	(667)
Disposals in relation to loss of control of entities	**-**	(25,268)
Closing balance	**14,127**	13,025
Accumulated amortisation and impairment		
Opening balance	**5,165**	4,579
Amortisation	**259**	586
Closing balance	**5,424**	5,165
Closing net carrying value	**8,703**	7,860

Note 15 Trade and other payables

Amounts in USD thousand	**30 June 2024 *(Unaudited)***	31 December 2023 *(Audited)*
Amounts due less than one year		
Trade payables	**5,795**	11,954
Due to related parties	**-**	305
Taxes and state payables	**5,156**	4,162
Other payables and accrued liabilities	**7,366**	3,630
Total	**18,317**	20,051
Amounts due more than one year		
Other payables	**75**	145
Total	**75**	145

Note 16 Overlift payable

Amounts in USD thousand	**30 June 2024 *(Unaudited)***	31 December 2023 *(Audited)*
Overlift payable	**12,389**	-
Total	**12,389**	-

In May 2024, new trading arrangements enabled PetroNor to lift and sell more oil than the entitlement interest it had in stock at the Djeno terminal at the time of lifting. This is known as an overlift position. Continuing production began to replenish the oil stock during the rest of Q2, but as at 30 June there was still an overlift position. An accrual is recognised for the cost of the overlift at the period end date valued at the effective sale price for the oil sold.

Note 17 Loans and borrowings

Amounts in USD thousand	**For quarter ended 30 June 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Opening balance	**5,500**	11,000
Received	**-**	-
Principal repayment	**(5,500)**	(5,500)
Interest on loan accrued	**324**	813
Interest on loan paid	**(324)**	(813)
Closing balance	**-**	5,500
Ageing of loans payable		
Current	**-**	5,500
Non-current	**-**	-
Total	**-**	5,500

As at 30 June 2024, the debt facility has been fully repaid.

Note 18 Provisions

Amounts in USD thousand	**For quarter ended 30 June 2024 *(Unaudited)***	For the year ended 31 December 2023 *(Audited)*
Decommissioning Provision		
Opening balance	**23,749**	20,912
Arising during the period	**862**	4,284
Decrease due to disposal of entities	**-**	(3,887)
Unwinding of discount on decommissioning	**(444)**	2,440
Closing balance	**24,167**	23,749
Other provisions	**3,491**	3,323
Total	**27,658**	27,072

Based on the existing production profile of the PNGF Sud field and the size of the reserves, it is expected that expenditure on retirement is likely to be after more than ten years. A reassessment occurred during 2023 to increase the inflation rate from 1.6% - 3.0%. The discount rate remained constant at 6.5%.

Note 19 Material Non-Controlling Interests

Set out below is summarised financial information for the subsidiary Hemla E&P Congo SA that has non-controlling interests that are material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Notes to the interim financial statements

Summarised statement of financial position

Amounts in USD thousand	**30 June 2024 *(Unaudited)***	31 December 2023 *(Audited)*
Current assets	**107,461**	61,523
Current liabilities	**19,689**	12,836
Current net assets	**87,772**	48,687
Non-current assets	**123,712**	124,798
Non-current liabilities	**27,658**	27,084
Non-current net assets	**96,054**	97,714
Net assets	**183,826**	146,401
Accumulated NCI	**30,069**	24,138

Summarised statement of comprehensive income

For the six months ended

Amounts in USD thousand (Unaudited)	**30 June 2024 *(Unaudited)***	30 June 2023 *(Unaudited)*
Revenue	**110,434**	93,919
Profit for the period	**37,420**	32,191
Other comprehensive income	**-**	-
Total comprehensive income	**37,420**	32,191
Profit allocated to NCI	**5,931**	6,094
Dividends paid to NCI	**-**	3,170

Summarised statement of cash flows

For the six months ended

Amounts in USD thousand (Unaudited)	**30 June 2024 *(Unaudited)***	30 June 2023 *(Unaudited)*
Cash flows from operating activities	**36,313**	43,573
Cash flows from investing activities	**(8,724)**	(14,125)
Cash flows from financing activities	**(124)**	(20,022)
Net increase / (decrease) in cash and cash equivalents	**27,465**	9,426

Note 20 Share capital

On 16 June 2023 PetroNor announced that the reverse share split in the ratio 10:1 had been registered with the Norwegian Register of Business Enterprises. Following such registration, the share capital of the Company is NOK 1,423,568.55 divided into 142,356,855 shares, each with a nominal value of NOK 0.01.

Note 21 Post balance sheet events

There are no significant events after the reporting date.

Statement of responsibility

We confirm that, to the best of our knowledge, the condensed set of unaudited financial statements for the quarter ended 30 June 2024, which has been prepared in accordance with IAS34 Interim Financial Statements, provides a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the management report includes a fair review of the information required under the Norwegian Securities Trading Act section 5-6 fourth paragraph.

Approved by the Board of PetroNor E&P ASA:

Joseph Iskander, Chairman of the Board

Ingvil Smines Tybring-Gjedde

Ingvil Smines Tybring-Gjedde, Director of the Board

Jarle Norman-Hansen, Director of the Board

Gro Kielland, Director of the Board

Azza Fawzi

Azza Fawzi, Director of the Board

DIRECTORS

Joseph Iskander, Chair
Gro Kielland
Ingvil Smines Tybring-Gjedde
Jarle Norman-Hansen
Azza Fawzi

REGISTERED OFFICE

Frøyas gate 13
0273 Oslo
Norway

WEBSITE

www.petronorep.com

AUDITORS

BDO AS
Munkedamsveien 45,
Vika Atrium
0121 Oslo
Norway

SHARE REGISTRAR

DNB Bank ASA
Verdipapirservice
Dronning Eufemias gate 30
0191 Oslo
Norway

STOCK EXCHANGE LISTING

Oslo Børs
Ticker: PNOR
ISIN: NO0012942525